



## Zero Dollars Wagered

Posted by [Pierluigi Oliverio](#) on Monday, February 23, 2009

Last week, I attended a brainstorming session at City Hall. The purpose of the gathering was for ideas to help Downtown during the recession. The group included the Downtown Association, land owners, developers, business owners, arts advocates and others. Individuals presented their ideas to the group. One example was sponsoring an overnight camp-out in Downtown parks by the Boy Scouts and Girl Scouts. Another was closing SOFA to cars every Friday allowing for a pedestrian-oriented evening. Other ideas included a 24-hour theater festival, music festivals, murals and free parking. And another was that the city could give away free Downtown land for an architectural design contest.

I thought to myself, "What could we do during a long-term recession that costs the city zero dollars and would actually bring more revenue to the city?" My idea: allow card rooms to locate in Downtown again. Downtown originally had a card club that moved to the suburbs.

No new card clubs are allowed to open in California. San Jose has two card clubs grandfathered by state law that are allowed to stay open indefinitely. The two card clubs bring approximately \$13 million in tax revenue to San Jose every year. That money pays for a lot of services; for example, half of our citywide library budget, or 21 miles of road paving, or 3,200 wheelchair ramps on street corners (we have over 60,000 street corners). In addition to generating nearly \$13 million for the city, the card clubs also must pay for the cost of police to regulate them, which is about \$2 million annually.

Currently, our two legal card clubs are not allowed to move; therefore, they are forced to stay in the same location and pay a higher rent every year since the landlord knows they are not allowed to move.

At the session, I suggested we allow one of the card clubs to move downtown adjacent to our convention center. As I mentioned above, card clubs are a profitable legal business that bring money to the City. In fact, I believe that there would be a big incentive to move Downtown that could help pay for the upcoming convention center expansion. Perhaps if San Jose would seriously consider this idea, we could put a card club at the base of a new hotel Downtown on top of

an expanded convention center where the \$5 million "tent" is located on Market and Viola.

When conventioners come to Downtown they roam around after the convention events and maybe have dinner, maybe see a movie and then go to bed. I believe we should allow the option of playing poker for those conventioners that choose to do so. Card games have grown more popular with celebrity poker on television. I believe that a card club Downtown adjacent to the Convention Center would bring increased revenues since I believe they would have increased customers. The city would have new net revenues that could be used to lower our deficit.

There are some who find gambling immoral. However, not everyone finds gambling immoral; therefore, it's important that we keep in mind that gambling is legal, is a pastime that both women and men can equally participate in, and gambling gives the city a significant amount of revenue each year. We already have a well policed Downtown and the card club could and would contribute to Downtown policing since it pays \$2 million for police today.

Some may worry that there will be some Atlantic City down-on-their-luck folks roaming Downtown. If that did occur, is that any worse than today's situation of homeless individuals and drug dealers from the East Bay that are Downtown today? Is it any worse than the two people who I came upon Friday night on South 2nd Street that had been stabbed multiple times in the SOFA district? Gambling will continue regardless of strong opinions, just like the legal consumption of alcohol. One only needs a web browser to play internet poker, or one can drive to one of California's 60 Indian casinos, Lake Tahoe, Reno, Las Vegas or simply go to friends' homes and play cards.

I was asked, why not allow a card club in Willow Glen? My answer was "because Willow Glen does not have a convention center and seven hotels." The publicly funded Downtown is for everyone.

Why not allow a popular legal business to move next to the convention center and allow out-of-town visitors to spend their money in San Jose? We collect money from visitors all the time with the Transit Occupancy Tax (Hotel Tax), Airport Fees, Rental Car fees, etc.... For local customers who choose to gamble, they would bring more revenue to the City by utilizing the parking garages.

What are your thoughts about moving the legal card clubs back to the Downtown where they originated?

Posted by [Pierluigi Oliverio](#) on Monday, February 23, 2009